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ABSTRACT

The British tradition of institutional self-steering in higher education is considered along with possible applications to the West German higher education system. The objective is to identify an ideal self-steering system and an effective organizational decision-making structure for West Germany. Financial retrenchment in German higher education and some of the decision-making systems within different German states are reviewed. Principles of fund allocation decision-making in a self-regulation system are outlined with attention to three points of decision-making: the academic world; societal forces (i.e., demand for higher education output); and the state level. The review of British retrenchment experiences covers: the steering system before 1981; firmer steerage activities of the British government and the University Grants Committee (UGC) in 1981; a more systematic approach to fund allocated that was instituted by UGC in 1986 (i.e., a block grant); and two contradictory steering models in higher education, the institutional self-steering and the central steering model. It is concluded that the British tradition of university autonomy and academic self-steering do not find an equivalent in the German system. 20 references. (SW)

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Steering under Conditions of Retrenchment in Higher Education. The British Experiences from a German Perspective

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This paper was presented at the Twenty-Seventh Annual Forum of the Association for Institutional Research held at the Vista International Hotel, Kansas City, Missouri, May 3-6, 1987. This paper was reviewed by the AIR Forum Publications Committee and was judged to be of high quality and of interest to others concerned with the research of higher education. It has therefore been selected to be included in the ERIC Collection of Forum Papers.

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Abstract

On the background of German retrenchment experiences, the search for a new organizational decision making structure in the German higher education system, and some principles of an ideal self-steering system, the steering problems in the British university system are investigated. Recent activities of the government and the University Grants Committee (UGC) made it visible that the British university system was strongly based on the self-steering of autonomous institutions. This British tradition of institutional self-steering seems to face some challenges.

1. The Symbolism of Foreign Higher Education Systems

Looking abroad always bears a certain amount of symbolism in it. It is always intended to prove or to reject something for one's own system. One group of Germans for example, looking to the American higher education system may find that clear-cut differentiation between elite and mass education institutions, they wish to be implemented in Germany. Another group, still with a confirming attitude, may find the American education system open for all to move from one branch to another according to their ability and desire. The whole truth about a foreign system is certainly always to be found in one's own system.

The intention of this paper was to look at Germany's Europeen neighbours, especially to the British university system, to find out some ideal circumstances and patterns in the higher education system in periods of financial retrenchment. What came out is not at all an ideal, but a lot of contradictions. Retrospectively this seems to be quite normal for a period that bears the signs of change in it. But what did come out in common for all European higher education systems is that the most <u>important role is to be played by the institution</u> in leadership, initiative and decision making capacity, in order to win the battle for self-steering in higher education.

2. The Higher Education Steering Problem and the Retrenchment Perspective

In fact, periods of financial retrenchment tend to reveal the steering problem in higher education more than periods of expansion do. A lack of steering is felt, i.e. a lack of "organized decision-making" in order to shape the higher education systems in society. The question of how and by whom this steering problem should be solved is posed more urgently than ever before.

European higher education systems are state-financed and state-regulated, which tells us nothing about how thoroughly and far-reaching the state levels were able to shape their higher education systems in detail or make decisions on scientific matters in detail.

But it tells us a lot about state/higher education relationships that result from financial retrenchment, caused by state-level decisions that are based on economic factors.

In a situation where financial cuts in higher education have been decided or where higher education is to face such cuts in future, in general two contradictory patterns of

state behavior towards higher education emerge (compare Frackmann/Maassen, 1987). They never appear as purely one or the other, thus the higher education institutions have the opportunity to move the system in the one or the other direction.

- The first pattern of state behavior focusses on a strengthening of central (i.e. usually state level) decision-making in higher education. Market forces, such as social demand for higher education, are no longer trusted, mainly because they would exceed the resources available for higher education. What is needed for society and the economy (highly qualified manpower and research) is felt to be adequately decided upon at a central level. The decision-making approach usually stresses "value for money", i.e. usually short term results in teaching and research efforts in higher education.

- The second and reverse pattern of state behavior toward higher education is characterized by some doubts as to whether the complexity of the scientific world can be reduced adequately by a central decision-making body. This approach stresses the autonomy, resonsibility and decision-making capacity of the individual institution. It is accompanied usually by the call for other societal influences on the higher education system (industry, other laymen in society, student's choices among institutions). These "influences" are's, of course, thought of as relieving of the state's financial burden, they are meant as a contribution to higher education financing.

  If the state, according to this pattern, decides on financial reductions, but is not willing to allocate these cuts, than a lot of "dirty work" will have to be done by the higher education system itself.

3. The German Higher Education System facing Retrenchment - Background for Comparisons

3.1 Financial Retrenchment

Like all other European higher education systems, the German system has suffered financial reductions. But as German higher education consists of eleven systems, run by the eleven states seperately, and some institutions run by the federal state, it is not easy to report on such clear-cut "reduction events", as experienced by the central systems of Great Britain or the Netherlands for example. We have to focus instead on general tendencies and average figures, as shown in the following table (Frackmann/Maassen

Table 1: Retrenchment in German Higher Education

Trends in German HE Budgets						
Year	Students (1)	Scien- (2) tific Personnel	Recurrent (3) Funds Mill.DM		Investments (4) Mill.DM	Staff/ Students (5)
1975	840757	77158	1235	100	4101	10.9
1980	1044210	88030	1267	102.6	2155	11.9
1981		90491	1230	99.6	2098	
1982	1203121	91859	1100	89.1	2075	13.1
1983	1273168		1125	91.1	2071	
1984	1314201	93228	1211	98.1	1969	14.1

1.) Home and foreign Students
Source: BMW: Grund- und Strukturdaten 1985/86, p. 128

2.) Source: Wissenschaftsrat, Eckdaten zur Lage der Hochschulen, Stand 1985, p. 32

3.) Real terms, deflation on the basis of the index for public expenditure (1980=100).
Source: Wissenschaftsrat: Eckdaten zur Lage der Hochschulen, Stand 1985, p. 37

4.) Joint effort of state and federal state level (HBFG).
Source: Wissenschaftsrat: Eckdaten zur Lage der Hochschulen, Stand 1985, p. 38

5.) Column 2 / Column 3

The table shows, that

- the funds for investment expenditure (a joint effort from the states and the federal state) declined rather dramatically over a period of nine years (from 4.1 billion in 1975 to 1.9 billion in 1984)

- the recurrent funds decreased sharply in 1982 but regained after that

- the staff/student-ratio worstened continuously in the nine years under consideration (10.9. in 1975, 14.1. in 1984)

The greatest threat to German higher education lies in the near future, when enrolment figures will decline dramatically, due to demographic structures: The twenty to twenty-one year old age group will decline from about one million in 1985 to about 600000 in 1995. It is not unlikely that further budget cuts will be imposed on higher education, explicitely related to these enrolment declines, although the institutions have to go through a "teaching-overload" (state policy of "tunneling through the hump").

3.2 Contradictory Trends concerning the Steering Problem

We first should look at the decision making, closely linked to the financial reductions, imposed by the states, and we recognize different tendencies in different states (Frackmann/Maassen 1987):

- In some states, there is a tendency at state level to

relieve the tight line-item structure of the university budgets. Although this gives the universities more freedom in how to spend their funds, it is far from being a "block grant".

- It is not unusual for states to impose global budget cuts or cuts of positions granted and leave it to the universities' own discretion, to allocate these cuts.

- One state, on the contrary, organized a statewide reduction and redistribution of university positions from a central state level.

- A number of states increase the earmarked funds, yet another way to strengthen state influence on the expenditure structure.

In a more general sense, not necessarily linked with the allocation process, there are some slight signs - marked by the higher education framework law - that the universities are being given more autonomy

- to decide on the curriculae of the subject groups on an individual institutional base

- to admit students for selected programms on their own admission criteria

- to spend money from other than state sources outside the tight boundaries of the state budget laws.

The most contradictory term used in the present period of retrenchment is that of "competition", competition among institutions, departments etc. The term has been introduced into the discussion by the state level.

Competition may be imagined - as economic theory teaches - with the absence of any prevailing market power, i.e. the absence of prevailing state power in higher education and with full autonomy on the side of the institutions. But on the other hand, competion may be imagined as well as a strengthening of state decision making power: Universities have to compete for state money. The state asks the universities to deliver more information on their performance. With that information it remains with the state level to make decisions and its steering capacity will be enhanced.

The German retrenchment experiences are in line with those of the European neighbours. It oscillates between mistrust in the self-steering capacity of the institutions and doubts as to whether the state level may be well enough equipped

to make the hard choices adequately; between the maintenance of state power and the rhetoric of institutional autonomy.

A need for organized decision making is felt as well as a lack of decision making capacity. The very fundamental question of the organizational structure of decision making in higher education is posed. And it will be up to the institutions to shape the answer in a sense of self-regulation in higher education, where the institutional level plays a dominant role.

4. Some Principles of Self-Steering

In a state-financed higher education system the most determining question might be, how and by whom the allocation of funds to the institution and inside the institutions is made. But behind these financial decisions, there are other underlying decisions to be made, which we may call the "contents" decisions, the "subject and subject balance" decisions, and the "total amount of money for higher education and research" decisions. We may differentiate three points of decision making, thus leading to the matrix shown in figure 2: the academic world, societal forces, i.e. demand for higher education output, and the state level.

Figure 2: Levels and Questions of Decision Making in a Self-Regulation System

	ACADEMIC WORLD	SOCIETAL FORCES (MARKETS)	STATE
CONTENTS OF TEACHING AND RESEARCH	SELF-STEERING	THROUGH SUBJECT BALANCE	
SUBJECT BALANCE	SELF-STEERING	MARKET-INFLUENCES	AT THE MARGIN
TOTAL AMOUNT OF MONEY/ STUDENTS			STATE DECISION

In the self-steering ideal, underlying this paper, it is stressed that the focus of the self-steering activities of the academic world should be rather far-reaching, covering the contents and the subject balance decisions, the latter decisions being supported by influences from societal demand for higher education output.

Thus the "total amount" decisions remain with the state: How much money should be poured into the higher education system to support a certain amount of education and a certain amount of research? It is stated here, that these state decisions are guided rather by financial problems and social policy than by educational and research goals and objectives.

If we turn back to the fund allocation problem, we now may derive some principles for an ideal allocation process that are based on the above mentioned self-steering assumptions:

- Apart from the state fixing the total amount of money designated for higher education, the allocation decisions are made by peers. For this principle to be realized, a peer buffer-body between state and higher education institutions will be needed.

- From one decision level to the next (e.g. from the buffer-body to the institutional level, from the institutional level to the departmental level) funds are given as "block grants" ("lump sums"), i.e. without any further line-items or earmarking, which would restrict expenditure decisions to the level receiving the funds.

- The blocks may be given selectively. The criteria on which these unequal budgets are calculated are stated publicly, in order to formulate expectations that are linked to the fund allocation.

- The unit receiving funds is free to allocate and spend the funds at its own discretion. It may deviate from the criteria used for calculating the total sum it received. The unit may deviate from the guidance given with the fund and it is granted enough time to prove and communicate the reason for deliberate deviation.

The most important level of organized decision making, it is stressed here, lies at the institutional level. For this role to be performed adequately, the institution's decisions have to be guided by a "general policy". This general policy of an institution has to take into account not only the survival of the institution and its specific function in the higher education system, but simultaneously the role and mission of the higher education system as a whole.

With both in mind, the German search for an organizational decision making structure and some principles of an ideal self-steering system we now may attempt to assess the British university system.

5. The British Retrenchment Experiences

5.1 Ideal Steering System? (before 1981)

In Great Britain, when dealing with the state/higher education relationship we have to focus on the University Grants Committee (UGC), which acts as a buffer-body between the state and the universities, and which may be seen either as an arm of the government or as a coordinating body of the universities.

The UGC was founded in 1919 and consists of 21 members including its chairman, 14 of them recruited from the universities, the remainder is drawn from other sectors of education and from industry. All of them are appointed by the government. The UGC is supported by advisory sub-committees, covering the academic subjects (UGC, 1986).

Universities receive their recurrent grants (including salaries) in the form of a "block grant" from the UGC, the UGC thus acting as the allocating body of the government (Department of Education and Science: DES). Prior to 1973/74 it was granted for five years ("Quinquennium") with an annual supplement based on the inflation rate.

Prior to 1981 the UGC was characterized as a "reactive body", planning only "at the margin" (Shattock/Berdahl, 1984, p. 482). It left the "policy initiatives", if there were any, to the government on the one side and to the institutions on the other.

The UGC negotiated with the government on the total recurrent grants for the universities on the basis of student unit costs. "The student unit costs became a base-line negotiating figure between the UGC and Government for total recurrent grant and the convention was adopted that the Government, in effect, 'bought' an additional number of student places in each 'quinquennium'" (Shattock/Berdahl, 1984, p. 485).

On the other side of the allocation process, universities influenced student numbers with their admission policy. As they knew, that "additional finance accompanied or followed the student numbers" (Sizer, 1985/1, p. 3), they admitted more students than planned by the UGC previously.

The UGC calculated the recurrent funds for each university on the basis of student numbers and student unit costs as well: "Student unit costs and a variety of formulae, together with hunch, played a large part in the allocation process" (Shattock/Rigby, 1983, p. 20).

But the "formulae" never were publicly revealed, in order not to influence or restrict the freedom of the the universities to spend the funds at their own discretion and based on their own general policies.

The universities received some guidance with the socalled "Memoranda of Guidance", where, for example, student numbers were fixed. Only in a few cases did the memoranda go so far as to recommend the closure of whole departments (the case of Russian- and agriculture-departments).

Compared with the principles of self-steering, stated above, the British decision making process prior to 1981 indeed seems to reflect these ideals. The universities were given block grants, they were totally free to spend the money based on their own general policy, they were given enough time (quinquennium) to develop this policy and act according to it while spending the funds. Even the concealing of the calculation criteria was considered by the UGC as part of a greater autonomy for the institutions and gave up the UGC's own policy and steering initiatives and impacts.

And yet, retrospectively there are some doubts as to whether and where "steering", i.e. organized, deliberate decision making on higher education matters took place. If the UGC was not an arm of the government, to make government guided decisions, and if it did not develop its own general policy for higher education, understanding itself as a central policy and planning body for higher education, did the universities make the best of the autonomy (and the lack of central steering) they were granted? What would have been expected from the institution's was not only the capacity to make deliberate decisions that reflect the institutions function as well as the whole system's, but also to communicate to the public the reasons, the processes and the results of these very decisions.

It is not unusual in the British higher education community to complain that the UGC prior to 1981 did not play that role of central, powerful, policy-making body. But based on the self-steering principles it may be questionned here, if the problem was not rather, that universities were not able to utilize the UGC as a co-ordinating body of a decentralized decision making system, where the institutions play the dominant role.

Since the academic year 1973/74 some changes have occurred in the British university system, caused by financial problems. Concerning the financial retrenchment events, see table 3.

Table 3: Retrenchment Events in the British University System

1973/74:	Break-down of the quinquennium. Due to the oil-crisis inflation rate, government only compensates 50 % of the inflation rate with the supplementary grant.
1974/75:	Again inflation is not fully compensated.
1975/76:	"Cash limits policy", i.e. in advance built-in supplement, which in fact underestimated the increase of prices and salary.
1979:	The newly elected government announces "level funding": no increase of the university budget for the years 1981/82 and 1982/83. The government introduces a new overseas student policy: overseas students (except EC) no longer have tuition fees refunded. Universities have to charge them almost full cost, and the overall UGC-budget is reduced accordingly.
1980/81:	"Level funding" was abolished and real reductions announced, in March 1981 finally a reduction of 8.5% up to 1983/84.
1981-84:	Earmarked funds were given to the UGC, to be distributed to the universities: - "early retirement" funds (due to the severe budget cuts of 1981) - "new blood" funds, and - funds for Information Technology
1985/86:	New budget cuts up to the year 1989 of about 7 % are forseeable.

5.2 "Firmer Steerage" of the UGC (1981)

The UGC estimated the overall fund reductions facing the universities up to 1983/84 of between 11 and 15 per cent. Instead of the application of the same percentage cut to every institution (UGC, Nov. 1981) it decided to be more selective and dirigiste, as its chairman announced: "In particular there will have to be a reduction in the provision of resources in some areas or to some institutions in order to provide for innovation and growth in others". "The Committee will have to be rather more dirigiste in the future than it has been in the past, because whilst any individual university can in a sense see locally what is best for that university and try to sort out its affairs best it can in the situation, we (the UGC) rather uniquely, can see the system as a whole, and what is best for the individual university may not be best for the system." (from Sizer, 1985/2, p. 19).

The UGC hence decided on a "selective approach to the provision of student places within each subject group (UGC, Nov. 1981). The student places were calculated, as in the past, on the basis of the "unit of resources". Since a further reduction in the "unit of resources" (total amount of resources allocated to the education of one student) should not be accepted, the UGC decided on an overall five per cent cut of student places in the university system.

These reductions of student places (of course in terms of budgets calculated) were allocated rather "unequally" to the subject groups and to the universities, the UGC reflecting a number of judgements, as for example "employment prospects", and "current research activity and potential of each institution" (UGC, Nov. 1981).

The result of this selective approach by the UGC was that some of the universities had to suffer a reduction of recurrent grants of about 31 % (Aston) to 44 % (Salford) (Sizer, 1985/2, table 11).

The judgements of the UGC and its sub-committees were based on both, self-studies the institutions had to deliver, considering three alternative assumptions

a) 2 % increase in funds

b) "level funding"

c) 5 % reduction of funds,

and visits to each institution on its grant list:

"Each dialogue covered the institution's philosophy, its academic plans and priorities and the problems it faced." (UGC, Nov. 1981).

For each university a clear statement was delivered by the UGC, in which subject group how many student places had to be cut or added. With this procedure not only an overall reduction was intended, but also a shift from arts to science student places.

Universities that exceeded the number of students designated by the UGC, were fined, in that their block grant was reduced according to the exceeding fee income.

The underlying criteria and reasons for the UGC judgements were not made public with the consequence that although institutions could not avoid following the UGC's advice, they did not know why they were punished or rewarded.

With both decisions, the overall reduction of student numbers and the shift toward technologically oriented student places, the UGC, without any doubt, followed a government policy of dropping the social demand approach in favour of a manpower approach. The government, in search for an underlying policy to its expenditure-linked decisions, found "that it is vital for our higher education to contribute more effectively to the improvement of the performance of the economy" (Greenpaper, 1985, p. 3), and it stressed a "distinct emphasis on technological and directly vocational courses" (Greenpaper, 1985, p. 8). The UGC thus did, indeed, a lot of "dirty work" for the government (Butler, 1982, p. 270).

But with the peer-judgement element of its selective allocation decisions, the UGC with its 1981 procedures is not just to be regarded as an "arm of the government". We have to add a third position for a buffer-body in between the two alternatives: "arm of the government" and "coordinating body of the institutions". That is a rather strong and "central decision making body", external to the institutions, that may shift either toward peer evaluations or toward a governing and policy making body, a quasi "peer substitute" for a state department.

It is stressed here, that peer evaluation is a valuable instrument for making decisions in the academic world, based on the principles of self-steering. (Compare in contrast the criticism of peer evaluation by Kogan and Kogan, 1983, p. 101 and Kogan, 1986, p. 5). The problem may be to keep the decisions (and the criteria for decisions)

close enough to the "coal face".

The UGC with its "involvement in the universities internal affairs (Shattock/Berdahl, 1984, p. 494) on the one hand and not disclosing the reasons for awards and punishments on the other acted in 1981 more like a governing body, i.e. a substitute for a state department.

5.3 Incomplete Openness (1986)

The UGC admitted the problem of not being "open" with the decision criteria for the allocation to the universities. The argument, that "such information diminishes a university's freedom to use its grants as it sees fit "(THES, 15.11.1985), could not be taken seriously for the 1981 procedure, because universities had to execute the "dirigiste" decisions of the UGC.

Thus the UGC announced a new approach for 1986: "Universities have rightly complained that the process of fund allocation is obscure and have encouraged the UGC to develop a more rational and systematic approach" (UGC, 4/86).

The universities again were asked to deliver a self-study, i.e. their own subject area plans under the assumption of an annual budget cut of 2 % up to 1990, with

- a short statement of their overall objectives for the planning period
- a research statement for the university, the subject areas and the cost centres
- forecasts of student numbers in various subject groups
- financial forecasts up to July 1990 (UGC, 12/85).

The result of the 1986 procedure was a block grant, that was calculated on the basis of a "lot of little bits", related to different activities and produced by a variety of formulae and judgements (UGC 22/85). "The grant to a university under these new procedures will be made up of a lot of little bits. But these bits will be added up and announced as a single sum; and the university will be free, as it always has been, to spend that sum as it chooses". (THES, 15.11.85).

The main distinction that was made in calculating the budgets was that made between "bits" calculated on education related criteria and "bits" based on research related criteria.

The teaching related allocation was less selective than the overall allocation of 1981, because the UGC conceded, that "research can be assessed through peer judgement and a variety of performance indicators, but there are few indicators of teaching performance that would enable a systematic external assessment of teaching quality, to be made" (UGC, 22/85)). Instead the teaching based budget parts were based on a common level of resourcing for funded student load in the subject area cost centres, where the level of selected science subject groups such as computer science were augmented at the expense of the arts subject groups.

With respect to the research related budget parts, the UGC acted more selectively. The research part of the budget again was subdivided according to various criteria:

- Resources distributed on criteria related to staff and research student numbers
- Resources distributed on the basis of income from Research Councils and charitable bodies
- Resources distributed on the basis of contract research income
- Resources selectively distributed on judgement (UGC, 22/85)

With its 1986 procedure the UGC is moving back to a policy, where the universities are given more freedom to develop their own expenditure policies. "The purpose of the allocation process is to enable the Committee to settle the grant to be made available to each university, not to determine how the university should spend it". (UGC, 22/85). Perhaps this more indulgent steering is due to the less severe budget cuts of 1986.

For the first time in its history the UGC has been open in its decision criteria. Yet their remains a problem in this respect. The most interesting part of the budget "bits", of course, is the peer evaluation of research capacities. It is not considered here to be a problem, that the UGC with the research evaluation may develop into a competitor to the Research Councils (THES, 6.3.1987). On the contrary this may guarantee a plurality in peer judgements.

The problem remains, as was the case in 1981, that the UGC is "ranking" the research cost centres of the universities from 1 to 5, but it is not disclosing the criteria for this judgement.

5.4 "Jarratt" versus "Croham" - two Concepts of Higher Education Steering

With respect to the role of a buffer body, we found two positions at both ends of a line, the "arm of the government" role on the one end and the "institution's coordinating body" on the other end. And in between we found two similarily contradictory positions with the strong and "central governing body" on the one side and the "peer judgement dialogue" on the other.

Both these both sides reflect two contradictory steering models in higher education, the institutional self-steering and the central steering model.

Resulting from the severe retrenchment events experienced by the British university system, two reports emerged, which, perhaps over-emphasising their main statements, represent more or less these two positions.

5.4.1 Jarratt-Report: "Tradition of Self-Government"

The Jarratt-Report stresses perhaps rather the tradition of university self-government more than any other report and outlook, recently published in Britain.

When the government wished effiency studies of the management of universities to be promoted, the Committee of Vice-Chancellors and Principals (CVCP) took over this task and appointed the Jarratt Committee, which submitted its report in March 1985.

The Jarratt committee points to some crucial deficiencies in the universitiesthat became visible in the period of financial retrenchment the universitites had to undergo. There is a lack of strategic planning (absence of general policy) as an underlying guideline to resource allocation, i.e. budget cut allocation as well as resource redeployment. There happens to be an inefficient and ineffective decision structure, with too little coordination and integration of academic planning and resource allocation.

It seems to be consistent with the idea of the universities as centres of steering, i.e. self-steering in higher education, that the institutions should develop strategic plans.

The Jarratt Committee understands "strategic planning to involve the setting of objectives for the university as a whole and its constituent parts, which take account of relevant long term trends and the preparation of plans with stated priorities and options for achieving the objectives. It calls for the means of making the changes in content and pace that will be necessary as the plans evolve and outside cirumstances change." (Jarratt, 1985, p. 17). The committee stresses that the university is "first and foremost (a) corporate enterprise to which subsidiary units and individual academics are responsible and accountable". (Jarratt, 1985, p. 22).

The Jarratt committee encourages the universities to be self-critical by giving for example "corporate consideration to the questions of where it stands academically in relation to quality, spread and market performance, and where it wants to be" and "systematic attention to the quality of its resource allocation and monitoring procedures." (Jarratt, 1985, p. 21).

Also the universities have to communicate to the public, what they are doing and how they are achieving their goals: "The universities need to show that they are making the appropriate adjustments to their outlook and priorities". (Jarratt, 1985, p. 31).

The recommendations of the Jarratt comittee for the universities underline "academic decisions and structures which bring planning, resource allocation and accountability together into one corporate process linking academic, financial and physical aspects". Strategic plans are to be understood as "rolling academic and institutional plans, which will be reviewed regularly and against which resources will be allocated". Vice-Chancellors should be recognized not only as academic leaders but also as chief executives of the universities. A joint planning and resource committee of strictly limited size should be established. At the same time a clear budget delegation to appropriate centres should be found, in order to seperate policy from routine and in order to maintain decision making "close to the coal face". (Jarratt, 1985, p. 36).

The Jarratt report states that due to the 1981 budget cuts and UGC operations, a "somewhat reserved relationship between the UGC and the universities" resulted. The report stresses the UGC's inter-institutional co-operation and collaboration role and for this purpose recommends to "increase the dialogue between the UGC and the university system", to "increase the number and scope of discussions, in confidence, between individual Vice-Chancellors and the chairman of the UGC and the chairmen of the individual subject sub-committees". (Jarratt, 1985, p. 33).

In contrast to the strengthening of the decision making power of the individual institution and the UGC, seen a co- ordinating body for universities, stands a view that stresses a strong policy making UGC, seen as a tool of the government. But this contrast is not stated as clearly in the British discussion, as is suitable here for the purposes of this paper.

5.4.2 Croham-Report: "The UGC is not outside the Machinery of Government"

With these limitary and cautionary remarks, the reverse position may be seen in the Croham Report on the role, structure and staffing of the UGC. The report was initiated by a recommendation in the Jarratt Report, that the government should commission such an investigation. The report was presented in February 1987.

The term "co-ordination", used in this paper, to state a self- steering position of the UGC, is not totally unproblematical. If a co-ordinating body is only concerned with lobbying and putting forward the "common" case of the universities towards the government and the public, in such a way that no priorities could be set, that no decisions can be made in favor of one part of the system and at the expense of another, there will be an essential deficiency in the outcomes of such a co-ordination.

It seems therefore more realistic for a committee that reports to a government, which has committed itself to centrally initiated change, to claim for the UGC the function of a centrally acting "agent of change" (Croham, 1987, p. 43), i.e. something like a governing body.

In that position the Croham committee moves the UGC closer to the government side of the steering scenario: "The UGC is not outside the machinery of Government, but part of it. It exists to perform in the public interest functions which would otherwise be undertaken by Government itself, and it can do so only so long as it enjoys the confidence not only of the universities but also of the Government, Parliament and the public generally". (Croham, 1987, p. 15).

To enforce this "government like", so to say, "governing" character of the UGC, the Croham report makes among others the following recommendations:

- to push back the peer element of the UGC: Only half of the members should be recruited from universi-

ties. The part-time chairman should be "an eminent figure with substantial experience outside the academic world". The need for the subject-subcommittees is questionned.

- to strengthen the executive power of the UGC. The future UGC should be smaller than the present one. Extensive delegation to the principal executive officer, the Director General, and his staff is proposed. The UGC should rely more on its full-time staff.

- to give the government more weight in higher education policy: The government is invited to state clearly its guidelines with respect to all aspects of higher education (except the distribution of grants to individual institutions). These guidelines should initiate the process of the proposed triennial resource allocation cycle.

  The report does not support any exclusion of the government assessors from any of the business taken by the UGC, as used to be a practice in the past.

- to continue the guidance of the UGC to universities to be "more direct", and to earmark more parts of the block grants, if felt necessary.

The Croham report's distinction of the role of the future UGC as opposed to what it should not be: "a body made up of representatives of the universities and of those who work within them" is more precisely stated, than might be the assumption with regard to the present UGC.

6. Conclusions

In conclusion let me reiterate, that the whole truth about a foreign higher education system lies in one's own system. From a German perspective the perception of the British university system, i.e. its steering problems, might have turned out to imply too much criticism and scepticism.

The British university system is based on a strong tradition of "university autonomy"(to be differentiated from individual "academic freedom", compare Croham, 1987, p. 10) and academic self-steering that does not find an equivalent in the German system. Perhaps the British tradition is at stake, but it remains up to the institutions - as is the case in other European higher education systems - to demonstrate their self-steering capacities and their

responsiveness to societal change and developments, and to make the UGC "respond to initiatives from the universities" (Croham, 1987, p. 43).

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